

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Iraq
Name of Borrower:	Al Tamweel Al Saree LLC, a U.S. limited liability company
Project Description:	Iraqi individuals and businesses have very limited access to credit. Global Communities, a US not-for-profit corporation, operates the largest microfinance institution operating in Iraq which does business under the name Vitas Iraq. The OPIC loan to Al Tamweel Al Saree will enable Global Communities to expand Vitas Iraq's portfolio of loans to individuals and to micro and small businesses, thereby expanding financial access in Iraq. This will support inclusive economic growth in Iraq that will hopefully lead to a more stable, secure, and sustainable way of life in that country.
Proposed OPIC Loan:	\$87,000,000 with a 17-year tenor
Total Project Costs:	\$117,500,000
U.S. Sponsor:	Cooperative Housing Foundation (doing business as Global Communities), a U.S. not-for-profit corporation
Foreign Sponsor:	N/A
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project is expected to have a highly developmental impact in Iraq by increasing financial inclusion through the expansion of the Project Company's MSME lending. According to the World Bank, only 4.2% of Iraqis borrowed from a financial institution in 2014. Access to finance is especially challenging for microenterprises; the microfinance sector in Iraq has thus far only served 100,000 entrepreneurs. The Project Company anticipates expanding its MSME portfolio to support an estimated 52,000 borrowers over five years. 80% of the Project funds are expected to target microenterprises and 20% are expected to target SMEs. Global Communities will also provide technical assistance to Vitas Iraq as part of this Project. This Project aligns with Sustainable Development Goals one and eight, which are to reduce poverty and expand access to financial services for all.

<p>Environment:</p>	<p>Projects involving loans to financial institutions for the purposes of microfinance and SME on-lending are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. However, in order to safeguard that the Borrower’s loans are consistent with OPIC’s statutory and policy requirements, proceeds of the OPIC loan will be subject to conditions regarding use of proceeds.</p>
<p>Workers’ Rights:</p>	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the requirements of the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions. Loans to SMEs and micro-borrowers will be restricted with respect to the borrowers' operations, including the employment of minors and other applicable labor laws.</p> <p>The Project will be required to develop and implement a process for screening and monitoring its loans against OPIC’s prohibited activities list, specifically including child and forced labor, as well as for screening for non-compliance with local labor law.</p>
<p>Human Rights:</p>	<p>OPIC issued a Human Rights clearance for this Project on September 14, 2016.</p>